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SUBJECT: PIRACY STILL THRIVING IN MOROCCO

¶1. (SBU) Summary: A recent visit by Econoff and Poloff to Morocco's largest informal market revealed that despite a strong legislative framework for combating counterfeit and pirated products, enforcement remains weak. According to Morocco's Commercial and Industry Property Office, only 19 intellectual property rights related arrests were made in 2008. Counterfeit I-Phones and I-Pods, unlicensed software, and pirated DVDs are readily available at a very low cost. The recent Casablanca-based conference on intellectual property enforcement, led by the U.S. Patent and Trademark Office (USPTO), identified Morocco's slow and at times ineffective judicial system as a major challenge in the battle against piracy and counterfeiting. End Summary.

Model for the Region

¶2. (SBU) As a signatory to several international conventions aimed at combating piracy and counterfeiting, Morocco has a strong legislative framework unlike many other developing countries. Praising Morocco's efforts, the general director of the World Intellectual Property Organization recently said, "Morocco is a model for the region. Its advances in modernizing and boosting its intellectual property capacity and infrastructure are to be applauded." Further underscoring the country's commitment to combating the infringement of intellectual property rights (IPR) is Morocco's hosting of negotiations on the Anti-Counterfeiting Trade Agreement (ACTA), which if implemented will strengthen its IPR enforcement measures. (Note: Morocco will be the only developing country in the ACTA negotiation process, which will take place July 16-17 in Rabat. End Note.)

¶3. (SBU) Leading Morocco's effort to boost the country's IPR compliance is the Moroccan Commercial and Industrial Property Office (OMPIC). This office is tackling counterfeiting and piracy through a three-pronged approach that entails: 1) working with rights-holders and other government agencies to reform IPR legislation and improve law enforcement efforts, 2) changing mindsets about piracy through advertising campaigns and industry promotional events, and 3) taking civil action against pirates and counterfeiters to send the message that the industry will no longer tolerate this activity.

¶4. (SBU) OMPIC works closely with the Moroccan Association to Combat Piracy (AMPL), which coordinates the country's on-the-ground police raids and seizures. Since AMPL's inception in early 2008, nearly two million CDs and DVDs have been seized. One of Morocco's most successful anti-piracy campaigns centered on one of its own acclaimed films, "Casanegra". The film was given title protection status (TPS), which takes serious sanctions against individuals who illegally replicate the film. To test TPS's effectiveness, Econoff visited Morocco's largest informal market in search of a pirated

copy of Casanegra, to no avail.

¶15. (SBU) With limited resources to fight piracy and counterfeiting, OMPIC is actively soliciting private sector assistance. One example of this cross-sectoral partnership is MAPROMAC, a liaison between the business community and the different government agencies protecting against counterfeit goods. "Private sector involvement is key, as they can provide the necessary resources to conduct long-term investigations needed in the large majority of IPR cases", said OMPIC Director Adil El Maliki.

Observations from the Field

¶16. (SBU) While Morocco's regulatory and legislative IPR framework is strong, enforcement remains weak. According to OMPIC, only 19 IPR-related arrests took place in 2008. The fight against piracy and counterfeiting remains nascent in Morocco, conceded a Ministry of Justice official at a recent IPR enforcement conference sponsored by USPTO the week of June 22.

¶17. (SBU) Econoff and Poloff visited Derb Ghallef, Morocco's largest black market, the week of June 22 to assess how widely available counterfeit and pirated products are to Moroccan consumers. Derb Ghallef is made up of over 100 kiosks offering inexpensive counterfeit I-phones, I-pods, Microsoft programs, and pirated DVDs. The asking price for one of Hollywood's latest blockbusters, for example Wolverine, The Hangover, and Gran Torino, was USD 1. Next to this extensive collection of Western films, was unlicensed software such as Microsoft's Windows Vista and Apple's Final Cut, for a slightly higher price of USD 3.

¶18. (SBU) Counterfeit Apple I-phones and I-pods, which looked identical to the adjacent genuine products, were also readily available. The kiosk owners informed us that the counterfeit items were from China, but operated exactly like the originals. The asking price for a 3GB counterfeit I-Phone is USD 37. A salesman said demand for counterfeit I-Phones is so high that it is hard to keep them on the shelf.

A Deficient Judicial System

¶19. (SBU) Despite a strong legal IPR framework, the country's slow and often ineffective judicial system remains a major challenge in the battle against piracy and counterfeiting, confided El Maliki. "It can take up to two years to prosecute a person charged with counterfeiting in Morocco". In the meantime, "he is back on the streets selling the pirated product again." Other government officials at the USPTO conference from Customs to Labor to Morocco's business federation echoed these sentiments, adding that inadequate funding to investigate IPR violations is also an impediment.

¶10. (SBU) Comment: While the Mission's capacity-building IPR initiatives are likely to enhance enforcement, private sector-led efforts to combat piracy and counterfeiting will be indispensable in improving Morocco's IPR climate. Specifically, industry-initiated legal actions will be critical in winning the country's fight against counterfeiting, further highlighting the importance of a reliable judicial system. End Comment.

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